GOVERNMENT OF INDIA
MICRO, SMALL AND MEDIUM ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:2670
ANSWERED ON:16.12.2008
MERGER OF REGP AND PMRY
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Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether the Government has merged the Rural Employment Generation Programme (REGP) and Pradhan Mantri Rojgar Yojana (PMRY);

(b) if so,the details thereof and the reasons therefor,

(c) the name and salient features of new scheme launched in place of these schemes;

(d) the details of targets fixed and achieved during the 11th Plan period;

(e) the number of employment opportunities are likely to be generated under the new scheme annually;

(f) the details of funds allocated for the new scheme during the current financial year;

(g) whether Below Poverty Line families (BPL) are also eligible for assistance under the Scheme; and

(h) if so, the details thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF MICRO,SMALL AND MEDIUM ENTERPRISES (SHRI MAHABIR PRASAD)

(a) Yes, Sir.

(b)&(c) The Ministry had implemented Rural Employment Generation Porgamme (REGP) through KVIC and Prime Minister`s Rozgar Yojana (PMRY) through the States and Union Territories for promotion and development of micro enterprises in the rural and semi urban areas. While REGP was implemented in rural areas and small towns with population up to 20,000, PMRY was implemented both in rural as well as urban areas. The cost limit of the village industry units set up under REGP was upto Rs. 25 lakh while the maximum cost limit of self-employment ventures under PMRY was Rs.5 lakh for a single entrepreneur. The quantum of margin money/subsidy admissible under these two schemes also differed substantially.

Keeping in view the above, the Government of India (in the Ministry of MSMli) has introduced a new scheme titled `Prime Minister`s Employment Generation Programme (PMEGP)` a national level credit linked subsidy scheme by merging PMRY and REGP with effect from 2008-09 to generate additional employment opportunities in rural as well as urban areas of the country through setting up of new self-employment ventures/projects/micro enterprises.Under this programme, financial assistance is provided for setting up of projects costing upto Rs.10 lakh for service sector and Rs.25 lakh for industry sectors.The assistance is provided in the form of subsidy upto 25 per cent (35 per cent for weaker sections) of the project cost in rural areas while it is 15 per cent (25 per cent for weaker sections) for urban areas. The guidelines of PMKGP are available on the website of the Ministry of Micro,Small and Medium Enterprises at http:/msme.nic.in.

(d) &(e) It is estimated to generate 37.37 lakh additional employment opportunities by providing Rs. 4485 crore as margin money assistance to the beneficiaries. The year-wise estimated target fixed under the programme are as under:

Year	Employment (in Nos)	Margin Money (subsidy)(Rs.crore)
2008-09	616667	740.00
2009-10	740000	888.00
2010-11	962000	1154.40
2011-12	1418833	1702.60
Total	3737500	4485.00

In addition,a provision of Rs. 250 crore has been provided for backward-forward linkages for holding of exhibitions,awareness camps,

bankers meeting at State, Zonal and National level,publicity,EDP training to the beneficiaries,etc.

(f) Rs.823 crore has been allocated under PMEGP for current financial year as per budget estimate of 2008-09

(g) & (h) Yes,Sir. Below Poverty Line families are also eligible for assistance under the scheme provided such beneficiaries have not availed subsidy under any other Scheme of the Government of India.